

Stock Market

Dhaka stocks gain for 4th day riding on banking sector

New Age, December 06, 2018

- Dhaka stocks gained for the fourth consecutive session on Wednesday as investors increased their stakes in the undervalued financial scrips in an expectation that the market situation would improve after the upcoming national election. DSEX, the key index of Dhaka Stock Exchange, added 0.29 %, or 15.68 points, to close at 5,361.11 points on Wednesday. The DSEX gained 74 points in last four sessions.
- The financial sector led the surge on Wednesday as share prices of bank and non-bank financial institution advanced by 1.15 % and 0.49 % respectively. Out of the 30 traded bank scrips, 23 advanced, three advanced and four remained unchanged and out of the 23 traded NBFIs, 15 advanced, seven declined and one remained unchanged.
- Average share prices of textile, pharmaceuticals, telecommunications and energy sectors dropped by 0.7 %, 0.5 %, 0.4 % and 0.2 % respectively. The textile sector continued leading the turnover chart on Wednesday by holding 26.5 % of the day's turnover.
- Share prices of GlaxoSmithKlin Bangladesh soared by 6.25 % on Wednesday as the media reported on Tuesday that the company declared to sell 82 % of its total stakes to Unilever for BDT 1,604 crore. On Tuesday, GSK Bangladesh advanced by 6.25 %. The turnover on DSE dipped to BDT 679.59 crore on Wednesday compared with that of BDT 683.48 crore in the previous trading session.
- Of the 336 companies and mutual funds traded on Wednesday, 176 advanced, 131 declined and 33 remained unchanged. DSE blue-chip index DS30 also added 0.11 %, or 2.06 points, to close at 1,872.44 points. Shariah index DSES, however, lost 0.29 cent, or 3.69 points, to finish at 1,231.26 points. Dragon Sweater led the turnover leaders with its shares worth BDT 33.32 crore changing hands. Western Marine Shipyard, BRAC Bank, Paramount Textile, BBS Cables, Saiham Cotton, ML Dyeing, United Power Generation Company, Advent Pharmaceuticals and Khulna Power Company were the other turnover leaders.

<http://www.newagebd.net/article/58059/dhaka-stocks-gain-for-4th-day-riding-on-banking-sector>

Foreign fund at DSE drops again in Nov

New Age, December 06, 2018

- The net foreign investment at Dhaka Stock Exchange remained negative for another month in November as the overseas investors continued pulling out funds from the Bangladesh capital market amid political uncertainty ahead of national polls and pressure on the exchange rate.
- The foreign investors sold shares worth BDT 346.35 crore in November against their buying of shares worth BDT 323.84 crore with the net investment standing at BDT 22.51 crore negative. In October, the net foreign portfolio investment was BDT 201.68 crore negative as the foreigners bought shares worth BDT 282.50 crore against their sales of shares worth BDT 484.18 crore.
- The net foreign trading reached to BDT 492 crore negative in last 11 months with eight months witnessing negative figures. The net overseas investment had turned positive at BDT 35.16 crore in September after negative figures in five consecutive months.
- It was BDT 24.69 crore negative in April, BDT 282.32 crore negative in May, BDT 206.68 crore negative in June, BDT 32.7 crore negative in July and BDT 5.75 crore negative in August. The DSE's key index, DSEX, lost 2.87 points in November to close at 5,281.25 points on November 29 as investors were busy with making short-term gains in the month.

- The total foreign turnover on DSE also dropped to BDT 670.19 crore in November from that of BDT 766 crore in the previous month. The net investment by the foreign investors at the country's premier bourse surged to BDT 1,704.94 crore in 2017 from BDT 1,340.70 crore in 2016.

<http://www.newagebd.net/article/58060/foreign-fund-at-dse-drops-again-in-nov>

Low performers top DSE gainers' list

The Daily Star, December 05, 2018

- Six low-performing stocks that are priced below their face values topped the gainers' list in the Dhaka bourse yesterday. A rumour that the low-priced stocks will see a rise in the next few trading days paid off for RN Spinning Mills, Fareast Finance, Familytex, Peoples Leasing, Alltex Industries and Dacca Dyeing, market insiders said.
- Turnover, one of the major indicators, stood at BDT 679.59 crore, down by BDT 4 crore from the previous day. Dragon Sweater was the top traded stock with 1.27 crore shares worth BDT 33.32 crore changing hands. Among the major sectors, banks rose 1.3 %, non-bank financial institutions 0.4 % and engineering 0.2 % yesterday while energy and pharmaceuticals lost 0.2 % and 0.3 % respectively.
- RN Spinning Mills was the day's best performer with a 10 % gain while ML Dyeing was the biggest loser, shedding 9.92 %. Gainers outnumbered losers by 176 to 131, while 33 securities remained unchanged. The key index of the port city bourse also rose by 25.23 points or 0.25 % finishing the day at 9,945.87.

<https://www.thedailystar.net/business/news/low-performers-top-dse-gainers-list-1669876>

Northern Jute's share price soaring sans PSI

The Financial Express, December 05, 2018

- The share price of Northern Jute Manufacturing Company Limited is soaring without having any undisclosed price sensitive information. Within seven consecutive trading sessions, the company's share price jumped more than 45 % or BDT 363 each to reach at BDT 1165.20 on Tuesday. Its share price was BDT 802 on November 25, 2018.
- The company's share traded between BDT 245 and BDT 1173.90 each in the last one year. Following the recent abnormal price hike, the Dhaka Stock Exchange (DSE) served show-cause notice on the company. The company informed the DSE on Wednesday that there was no undisclosed price sensitive information for recent unusual price hike of its shares.
- The Bangladesh Securities and Exchange Commission (BSEC) also formed an enquiry committee to investigate into recent unusual movement of price and volume of shares of Northern Jute on November 20. The BSEC body will submit report within 30 working days.
- Northern Jute, which was listed on the Dhaka bourse in 1994, recommended 'no' dividend for the year ended on June 30, 2018. However, the company disbursed 20 % cash and 20 % stock dividend in 2017. The company's unaudited earnings per share (EPS) stood at BDT 2.03 for July-September, 2018 as against BDT 3.37 in the negative for July-September, 2017.
- The net operating cash flow per share (NOCFPS) was negative BDT 45.64 for July-September, 2018 as against negative BDT 49.31 for July-September, 2017. The net asset value (NAV) per share was BDT 59.07 as on September 30, 2018 and BDT 57.04 as on June 30, 2018. The company's paid-up capital is BDT 21.42 mn and authorised capital is BDT 100 mn, while the total number of securities is 2.14 mn.

<http://thefinancialexpress.com.bd/stock/bangladesh/northern-jutes-share-price-soaring-sans-psi-1543991905>

ACC files case against Mercantile Bank directors

The Daily Star, December 06, 2018

- The Anti-Corruption Commission yesterday filed a case against four directors of Mercantile Bank over embezzlement of BDT 8.60 crore under the guise of a loan -- 18 years after the incident took place. The accused directors are: Md Anwarul Haque, Akram Hossain (Humayun), M Amanullah and Mohd Selim.
- In an investigation, the ACC found the four directors had colluded with eight officials of the bank's main branch for the loan that was taken mortgaging government-owned land. The loan was taken in the name of Patrick Fashions in 2000 by its managing director, Kazi Farhad Hossain.
- Hossain proposed to mortgage two lands of 12.75 katha in total -- one of 5.50 katha and another of 7.25 katha -- under Gulshan thana. The proposed properties though were acquired by the government in 1965 and the two bank officials who made the site visit concealed the information to the bank.
- Subsequently, Rabiul Islam, then assistant vice-president, and Nob-Us-Selim, then senior vice-president, recommended the bank's high-ups to approve the loan, which the then executive committee acted on -- without examining the documents. Later, the client never made any payments and the loan then became classified.

<https://www.thedailystar.net/business/news/acc-files-case-against-mercantile-bank-directors-1669888>

Two state jute mills to be made textile units

The Daily Star, December 05, 2018

- The government has decided to convert two state-run jute mills into textile factories under public private partnership. The cabinet committee on economic affairs yesterday in a meeting approved the proposal of the textiles and jute ministry.
- Ahmed Bawani Jute Mills in Demra and Kaderia Jute Mills in Tongi will be developed under the PPP initiative, said Nasima Begum, additional secretary to the cabinet division, after the meeting.
- Private sector operators will run the mills under design-build-operate-maintain-transfer method for 30 years. The mill in Demra has been awarded to a consortium of Tanzania Fashions Ltd, which will pay a contract fee of BDT 2.5 crore annually.
- The mill in Tongi has been given to a consortium of Orion Ltd, which will give the government BDT 5.20 crore annually as contract fee. The cabinet committee also approved a proposal for signing a contract with Belgium-based JAN-DNUAL for dredging of the Payra port. It will be implemented through a PPP initiative.
- After the economic affairs committee meeting, another meeting of the cabinet committee on purchase was held where 22 proposals were approved. The purchase committee also approved a proposal for the import of 7 lakh tonnes of fertilisers.
- Of the amount, Singapore-based M/S Wilsons Trading Private Ltd will supply 25,000 tonnes of urea at a rate of \$379.87 per tonne while another 25,000 tonnes will be supplied by Abu Dhabi-based Zen Trade at a rate of \$378.70 per tonne. Proton Traders Ltd will supply 25,000 tonnes of urea at \$362.21 per tonne and another 25,000 tonnes at \$361.91 per tonne.
- One lakh tonnes of diammonium phosphate fertiliser will be imported from Morocco at a rate of \$545.75 per tonne alongside 2.5 lakh tonnes of triple super phosphate (TSP) fertiliser at a cost of \$452.25 per tonne. Besides, 2.5 lakh tonnes of TSP fertiliser will be imported from Tunisia at \$458.25 per tonne.

<https://www.thedailystar.net/business/news/two-state-jute-mills-be-made-textile-units-1669882>

Economy

NPLs soar 34pc to reach record high at BDT 993.7b

The Financial Express, December 06, 2018

- The amount of classified loans in the country's banking sector reached an all-time high of nearly BDT 1.0 trillion in September ahead of the upcoming national election. The volume of non-performing loans (NPLs) jumped by nearly 34 % or BDT 250.67 bn to BDT 993.70 bn as on September 30, from BDT 743.03 bn as on December 31, 2017 despite close monitoring of the central bank.
- However, the amount of NPLs increased by more than 11 % or BDT 100.30 bn to BDT 993.70 bn during the third quarter (Q3) of this calendar year, from BDT 893.40 bn in the preceding quarter (Q2), according to BB's latest statistics. The share of classified loans also rose to 11.45 % of the total outstanding loans during the period under review from 9.31 % nine months ago.
- The default loans include substandard, doubtful and bad/loss of total outstanding credits, which stood at BDT 8,680.07 bn as on September 30, 2018, from BDT 7,981.96 bn as on December 31, 2017. It was BDT 7,527.30 bn as on September 2017.
- The central bank cleared proposals of 11 business groups for restructuring their large loans amounting to around BDT 153.26 bn. A total of 22 commercial banks had earlier forwarded the proposals to BB for approving the loan restructuring on behalf of their clients.
- During the period, the total amount of NPLs with six state-owned commercial banks (SoCBs) rose to BDT 480.80 bn, from BDT 373.26 bn as on December 31, 2017. It was BDT 428.52 bn in Q2 of this calendar year. On the other hand, the total amount of classified loans with 40 private commercial banks (PCBs) reached BDT 436.66 bn in Q3, from BDT 293.96 bn in the final quarter of last year.

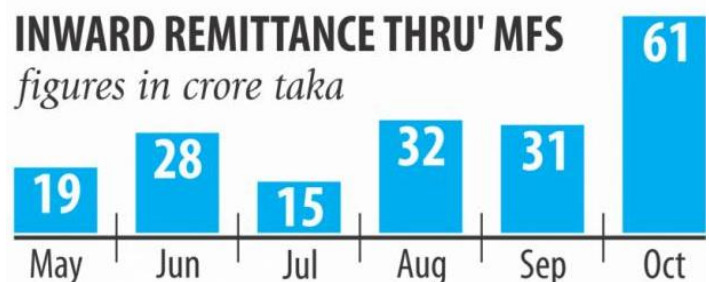


<http://thefinancialexpress.com.bd/economy/bangladesh/npls-soar-34pc-to-reach-record-high-at-BDT-9937b-1544067937>

Remittance through MFS doubles in Oct

The Daily Star, December 06, 2018

- Remittance disbursement through mobile financial services (MFS) more than doubled in October compared to the previous month due to growing popularity of the alternative payment channel among expatriates. The MFS providers disbursed remittance amounting to BDT 61 crore in October, which was BDT 30.78 crore in September and only BDT 6.26 crore in October last year, according to Bangladesh Bank data.
- The MFS providers go into an arrangement with different banks to disburse remittance through mobile accounts to facilitate remitters, said Dasgupta Asim Kumar, an adviser of bKash, the largest MFS provider in the country. The MFS



providers have no operation outside the country but some agents were misusing the services by channeling remittance through the mobile accounts.

- This illegal remittance inflow through the MFS channel has become a serious concern for the central bank as it significantly pushed down remittance inflow through official channels. The country saw a sharp fall in remittance inflow, as it decreased 14.47 % year-on-year to \$12.77 bn in 2016-17.

<https://www.thedailystar.net/business/news/remittance-through-mfs-doubles-oct-1669891>

International

OPEC, allies yet to get Russia's support to cut output

The Financial Express, December 05, 2018

- The Organisation of the Petroleum Exporting Countries (OPEC) and its allies are working toward a deal this week to reduce oil output by at least 1.3 mn barrels per day. Sources said that Russia's resistance to a major cut was so far the main stumbling block, reports Reuters.
- OPEC meets on Thursday in Vienna, followed by talks with allies such as Russia on Friday, amid a drop in crude prices caused by global economic weakness and fears of an oil glut due largely to a rise in US production. The producer group's de facto leader, Saudi Arabia, has indicated a need for steep reductions in output from January but has come under pressure from US President Donald Trump to help support the world economy with lower oil prices.
- Possibly complicating any OPEC decision is the crisis around the killing of journalist Jamal Khashoggi at the Saudi consulate in Istanbul in October. Trump has backed Saudi Crown Prince Mohammed bin Salman despite calls from many U.S. politicians to impose stiff sanctions on Riyadh.
- The sources, three from the OPEC and one from a non-OPEC producer, said the meetings were taking place in a difficult environment and that Russia's position would be key in reaching a deal. Russian sources have indicated Moscow could contribute some 140,000 bpd to a reduction, but Middle East-dominated OPEC insists Russia cut by 250,000-300,000 bpd.

<http://thefinancialexpress.com.bd/trade/opec-allies-yet-to-get-russias-support-to-cut-output-1544011278>

Disclaimer

This document has been prepared by Bank Asia Securities Ltd (BASL) based on publicly available data for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither BASL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However, all reasonable care has been taken to ensure the accuracy of the contents of this document. BASL or Research & Development Department will not take any responsibility for any decisions made based on the information herein. As this document has been made for the Traders of BASL and strongly prohibited for circulation to any clients, investors or any other persons from outside of BASL.

About Bank Asia Securities Ltd

Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

BASL Research Team

Mr. Shariful Alam Chowdhury Head of Research & Investments	tushar@basl-bd.com, tusharbd@bloomberg.net
Mr. Shohidul Islam Research Analyst	shohidul@basl-bd.com, shohidulbd@bloomberg.net
Tanzin Naher Research Associate	tanzin@basl-bd.com
Mr. Monir Hossain Research Associate	monir@basl-bd.com

BASL Networks

Head Office Hadi Mansion (7th Floor) 2, Dilkusha Commercial Area Dhaka-1000, Bangladesh Phone: +88-02-9515826-28 Fax: +88-02-9567884	Modhumita Extension Office 158-160 Modhumita Building (5th Floor) Motijheel C/A, Dhaka-1000 Phone: +88-01819118893	Dhanmondi Branch Meher Plaza (1st Floor), House # 13/A, Road # 05 Dhanmondi, Dhaka - 1207 Phone: +8802-8624874-5	Mirpur Branch Nishi Plaza, plot # 01, Avenue-04, Section-06, Block-C Mirpur, Dhaka - 1216 Phone: +88-02-9013841
Uttara Branch House # 79/A, (4th Floor), Road # 07, Sector # 04 Uttara Model Town, Dhaka- 1230 Phone: +88-02-8958371	Banani Branch Nur Empori, Plot # 77 (1st Floor), Road No # 11, Banani, Dhaka-1213 Phone: +8801716180767	Khulna Branch 28, Sir Iqbal Road (1st Floor) Khulna Phone: +88-041-731208-9	

For International Trade & Sales, please contact **Mr. Sumon Das, Chief Executive Officer**. Please call at +8801993111666, +880 02 9515826, Ext:101 at Business hour.

For further query, write to us at research@basl-bd.com.